SAFETEA-LU

Safe
Accountable
Flexible
Efficient
Transportation Equity Act:
A Legacy for Users

Noteworthy Impacts & Provisions for Alaska
Outline of Discussion

- Funding levels to Alaska
  - Earmarks
  - Core formula funds for other needs
  - Implications for STIP 2006-2009
  - Bill’s effects on 2005 year

- Policy changes of significance
  - Denali Commission
  - NEPA changes

- Total **authorized** funds increase ~31%
- Earmarks exceed $1 Billion
  - Some earmarks deductive
- Core formula funds decrease
  - Deductive earmarks
  - Restricted portion of these funds has grown disproportionately
  - Trust fund accelerating (then) v. slowing (now)
Earmarks & Formula

- Other Earmarks: $440 M
- HP Earmarks: $597 M
- Remaining Formula Funds: $1,503 M
- All Earmarks: $1,037 M
- All Formula: ~$2,100 M

Authorization levels only
Highway Funds Authorized
1998-2009

1998 - 2009 Federal Highway Funds for Alaska

2008 = 1998 in core funds
Authorized Fund Summary: 2005-2009

41% of funds available for regular, discretionary highway work.
Reasons we believe earmarks are deductive

- FHWA-issued funding tables
- DC staff feedback
- Same as how HP earmarks worked in TEA-21
- Pressure on bill’s funding cap
  - President’s cap on funding
  - Intense donor-donee debate
- 2005 FHWA notices showing decreased funds
Core Formula Funds

- Projects eligible for discretionary selection
  - Allocations to STIP
  - Sub-allocations to AMATS and FMATS
- Substantial decrease from TEA-21 era, due to:
  - Earmark deductions from core formula funds
  - Changes in eligibility of remaining funds
  - Lower appropriations levels from HTF
- Katrina emergency relief could further reduce
What are Inflexible Core Funds?

- Several categories of funds are tightly restricted as to eligibility
- These inflexible funds make up 23% of total core regular funds:
  - Bridge (restricted to deficiencies)
  - CM/AQ (congestion/air quality)
  - Enhancements (trails, amenities)
  - Planning and research (state and urban)
  - Recreational trails (hiking)
  - Safety (Setasides, HSIP, RR Xing, Safe Routes)
  - Border infrastructure
- These inflexible categories have grown sharply and new ones added
State’s Four Priority Earmarks Funding Sources

Source of Four State Priority Earmarks

- Knik
- Gravina
- Juneau
- Bradfield

$ Millions

- Additive
- Deductive
Earmarks: Issues to Consider

- Earmark projects often **not fully funded**
- Source of additional funds to be determined
  - Gravina: ~$125 M
  - Knik: ~$405 M
  - Juneau Access: ~$185 M
  - Other earmarks also
- Core program funds in STIP not sufficient to fill out under-funded earmarks even if all core funds were tapped!
### Other Significant Earmarks
(over the 5-years of the bill)

<table>
<thead>
<tr>
<th>Earmark Recipient</th>
<th>Additive</th>
<th>Deductive</th>
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<tbody>
<tr>
<td>Denali Commission</td>
<td>$100.0</td>
<td></td>
</tr>
<tr>
<td>Ketchikan Shipyard</td>
<td>$34.0</td>
<td>$16.0</td>
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<tr>
<td>Port of Anchorage</td>
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<td>Alaska Marine Highways</td>
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<td>UAF Transportation Research Cnt.</td>
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<tr>
<td>Alaska Railroad*</td>
<td>$4.8</td>
<td>$10.0</td>
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</tbody>
</table>

* Does not include significant transit funds.
Authorization v. Appropriations

- Bill sets goal for funding; Congress must appropriate funds annually to the authorization.
- Historically, appropriations have been ~88% of authorization.
- Other reductions occurring too:
  - Byrd test, unexplained recissions
- Final 2005 appropriation net ~ 80%:
  - Only 84% of authorization and 4% recission
Authorization v. Appropriations (cont.)

- Highway trust fund (HTF) is source for appropriations
- Fuel gallonage tax is primary source of HTF
  - Impact of $3+ fuel?
  - Will consumers change their fuel usage rates structurally?
  - Effects of Katrina/Rita rebuilding costs?
- STIP estimates must account for appropriations less than authorizations
How FFY 2005 ended up

- At bill passage: 10/12’s funds allocated with 2/12’s funds still due
- 10/12’s funds based on TEA-21 levels
- Due to lower SAFETEA-LU core program: 2/12’s is no longer due and ~$14 M take back.
- Many “expected” 2005 projects delayed to 2006
2006-2009 STIP Funding

- Average **statewide** funding levels*:
  - Prev. Maint. $60.0 Million
  - NHS $74.6
  - CTP** $39.2
  - TRAAK** $2.0
  - AHS $12.4

- Total $188.2 Million

*Excludes safety, bridge, planning, etc.
**Excludes AMATS & FMATS funds
Allows Assumption of NEPA Duties

- Alaska is one of 5 pilot states
- Does not relax legal requirements; just who decides and defends NEPA decisions
- FHWA to establish regulations in 9 months
- Pilot authorizes limited assumption at first
- State intends to aggressively pursue

* These staff and costs now provided by FHWA.
Denali Commission

Establishes Denali Access System Program Advisory Committee

- Within 3 months
- Governor to appoint 9 members:
  - Denali Commission co-chair
  - 4 representing Native corporations or Native villages, including one civil engineer
  - 4 representing rural Alaska, including one civil engineer
Wrap up

- Overall funding higher than ever
- Many important earmarks to state, communities, agencies
- Significant program and policy changes important to state and project delivery
- Decrease in discretionary funds for STIP project selection: 2005 & beyond
- High energy prices & hurricanes weigh heavily on Highway Trust Fund